GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:264
ANSWERED ON:01.03.2002
REVISION OF PENSION
V.S. SIVAKUMAR

Will the Minister of FINANCE be pleased to state:

(a) the present status of refixation/revision of pension of retired employees of RBI, IDBI, Public Sector Banks and other All India Financial Institutions following salary revision in these Institutions with effect from November 1997;

(b) whether following the acceptance of the recommendations of the Fifth Central Pay Commission for pay revision of Central Government Employees with effect from January 1,1996 the pension of all Central Government pensioners/family pensioners irrespective of the dates of their retirement has been revised/refixed with effect from same date;

(c) the reasons for not revising the pension of retired employees of premier institutions like RBI, IDBI, PSBs so far; and

(d) the time by when the pensions of retired employees of above mentioned institutions are likely to be revised?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (c) & (d) : The pay and allowances (including retiral benefits) in public sector banks/financial institutions are decided by way of settlements/understanding between employees and management. A Pension Scheme was introduced in the Public Sector Banks (other than State Bank of India) in lieu of Contributory Provident Fund (CPF) in pursuance of an agreement signed by the workmen unions/officers` associations with Indian Banks` Association (representing the banks` managements). The Pension Regulations framed by the Public Sector Banks as well as financial institutions like RBI, IDBI do not contain any provision to update the basic pension of retirees as and when there is wage revision for serving employees. However, all such pensioners are eligible for enhanced dearness relief linked to the Consumer Price Index. The salary structure, periodicity of wage revision and the formula for calculating the dearness relief to serving employees/pensioners in the Public Sector Banks/ Financial Institutions are at variance with the one applicable to Government employees. Hence, there is no parity between the pensionary benefits payable to Government employees and bank employees.

(b) : Pursuant to Fifth Central Pay Commission`s recommendations, necessary orders have been issued for revision of the pension/family pension w.e.f 1.1.1996 to the Central Government employees who retired prior to 1996.